

Notice No. 00-008

Date: June 19, 2000

Applies to: DCP Employers

Subject: Implementation of New Reporting Processes
and New Record Keeper

In July 2000, the Department of Retirement Systems (DRS) will implement new monthly reporting processes for the Deferred Compensation Program (DCP). DRS will begin using a new record keeping system, which will provide enhanced services to both DCP participants and employers. The reporting changes outlined in this Notice will assist in providing these enhanced services. DRS Notice 00-003 provided a list of the benefits and additional background on the new record keeping system.

Key Dates

Changes will occur over several months. The key dates that apply to employers and/or participants are:

- July 3, 2000 – Employers will begin using DRS' monthly transmittal process to report DCP deferrals.
- July 17, 2000 – Participants will be able to access account information, initiate transactions (e.g., transfers funds) and request deferral changes.
- September 2000 – Three new investment funds will be added to DCP.

Reporting Process

Employers who currently enter deferral information into their payroll system from the Participation Agreement (PA) form will begin receiving the DCP Deferral Amount Change Report in July. This report will include new participant deferral information and deferral amount changes/suspensions for current participants.

Employers will also receive:

- PA forms for all deferral changes requested by participants prior to July 17, 2000 (new record keeping system implementation date); and
- PA forms for enrollments requested by participants through August 31, 2000.

Receiving both the PA forms and the new Deferral Amount Change report during the transition period will help familiarize employers with the new report. When the transition period ends on August 31, 2000, DCP will no longer send copies of PA forms to employers.

Employers should report participants' name changes, address changes and termination dates on the DCP Transmittal Report. When employers make these changes, and submit the reports to DRS, the agency updates the participant database. The next report will reflect the changes. This new process ensures that participants will receive their quarterly financial statements, confirmation letters and other communications.

Employers who have questions about DCP reporting should contact DCP Accounting Services at 1-800-423-1524 or (360) 664-7111.

Note to local governments, political subdivisions and higher education institutions requiring signature authority from employees:

Employers who require a signed authorization for establishing a deferral should instruct their employees to provide the employer copy of the Participation Agreement when enrolling. Employers who require a signed authorization for changing a deferral should instruct employees to submit a signed copy of the deferral change confirmation that they will receive after requesting a deferral change through the DCP record keeping system.

Paper Reporting Method

Employers who use the paper reporting method will begin receiving the DCP Transmittal Report in July. The design of this report is similar to the report employers use to report other DRS administered retirement system plans. Employers should not make changes to deferral amounts or add new participants on this report prior to contacting DCP Accounting Services. New participants' information will be preprinted on the DCP Transmittal Report.

Employers should expect to receive a packet of information once or twice each month based on their number of paydays. The packet will include:

- Banner Page
- DCP Deferral Amount Change Report
- Payment Advice Form
- DCP Transmittal Report

If you do not receive this information in time to add deferral amount changes to your payroll system, call DCP Accounting Services.

Both the DCP Transmittal Report and the Payment Advice form should be returned to DRS with the associated payment. After the payment and transmittal are received, DRS will reconcile the payment with the report. Deferrals will normally be invested within 24 hours.

Important Reporting Dates

Following are important dates to remember in the reporting process.

- “Due Date” is determined by the employer’s pay date schedule.
 - Transmittals and associated payments are expected before, on or soon after each payday. All semi-monthly, bi-weekly and weekly payrolls must be reported twice a month.
 - Any delay in reporting accurate participant deferral information may result in delays to invest the deferrals, which could impact earnings to participants. It may also cause a DRS delay to provide employers with their next report.
- The new reporting requirements -- which enable daily investing of deferrals -- will be effective on July 3, 2000.

Forms for New System

All existing DCP forms, including the PA, have been revised. A new Maximum Deferral Worksheet is also available to help both participants and employers ensure that the annual maximum deferrals do not exceed the amount allowed.

DRS Employer Handbook

In June, employers will receive updates to the *DRS Employer Handbook*. Chapter 11 of the handbook includes the DCP reporting requirements for the redesigned DCP paper transmittal report. Chapter 12 includes the revised PA form, DCP Beneficiary form and the Maximum Deferral Worksheet. These forms are also available on the DCP Web site at <http://www.wa.gov/DRS/dcp>

WAC Changes

The DCP WACs have been revised under a new chapter number. The new WACs, under chapter 415-501, take effect June 19, 2000. Visit the DRS Web site for a complete list of these WACs at <http://www.wa.gov/DRS/dcp>

Publications and Workshops for Participants

All DCP publications have also been revised. Any supply of DCP enrollment packets employers have on-hand should be discarded. Employers who wish to keep some enrollment packets on-hand should contact DCP to request a new supply.

Employee workshops will be conducted the last two weeks in June and July, and participants will receive education kits in the mail in July.

On July 17, 2000, participants may begin accessing account information and requesting transactions by calling the DCP Information Line at 1-888-327-5596, or via the Web site at <http://www.wa.gov/DRS/dcp>

Questions?

If you have questions regarding the information in this Notice, contact Employer Support Services at (360) 664-7200, or call the toll-free line at 1-800-547-6657, ext. 47200.

This Notice can be accessed on the DRS Web site at <http://www.wa.gov/DRS/employer/drsn/index.htm>

John F. Charles
Director

2000 DRS Notices

For a copy of a Notice, call (360) 664-7170 or 1-800-547-6657, or
access on the DRS Web site at <http://www.wa.gov/DRS/employer>

Notice No.	Applies to/ Subject Matter
00-001	PERS, LEOFF, WSPRS and JRS Employers Members' Annual Statements and Sequencing Information
00-002	SERS Employers Reporting Requirements and Education Activities
00-003	DCP Employers DCP Reporting Requirements and Employer Training
00-004	All Employers Statewide Training
00-005	All Employers Potential Contribution Rate Changes
00-006	All Employers Contribution Rate Changes
00-007	All Employers Contribution Rate Changes
00-008	DCP Employers Implementation of New Reporting Processes and New Record Keeper